

Portec Lease Corp.
300 Windsor Drive
Oak Brook, Illinois 60521

Telephone 312 920-4600



14641
RECORDATION NO. Filed 1425
April 26, 1985

MAY 2 1985 -2 50 PM

INTERSTATE COMMERCE COMMISSION

Ms. Mildred Lee
Interstate Commerce Commission
Room 2303
12th and Constitution Ave., N.W.
Washington, DC 20423

No. 5-122A132
Date MAY 2 1985
Fee \$ 10.00
ICC Washington, D.C.

Dear Ms. Lee:

Pursuant to the regulations of the Interstate Commerce Commission, I hereby request that you record the following Lease between Portec Lease Corp. and Dow Chemical U.S.A. Besides the original, we have enclosed a notarized true photocopy of the original.

Lessee
Dow Chemical U.S.A.
2020 Willard H. Dow Center
Midland, MI 48674

Lessor
Portec Lease Corp.
300 Windsor Drive
Oak Brook, IL 60521

The equipment covered by the aforesaid Lease is four (4) new 2375 cu.ft. ballast cars with Car Numbers DOWX 34300-34303 (both inclusive).

The documents should be returned to R. J. Loeger, Portec Lease Corp., 300 Windsor Drive, Oak Brook, IL 60521.

A \$10.00 check, payable to the Interstate Commerce Commission, also is enclosed to cover the required recordation fee.

I am the Controller of Portec Lease Corp. and have knowledge of the matters set forth herein.

Sincerely,

Richard J. Loeger
Controller

RJL/ep
enclosures

Interstate Commerce Commission
Washington, D.C. 20423

5/3/85

OFFICE OF THE SECRETARY

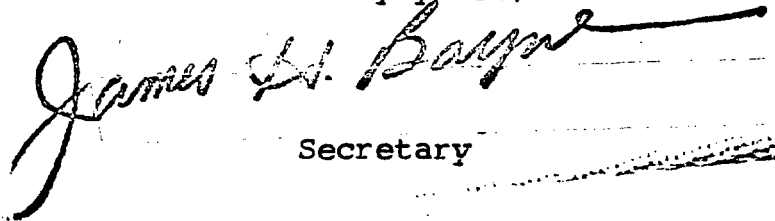
R.J. Loeger

Portec Lease Corp.
300 Windsor Drive
Oak Brook, Illinois 60521

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/2/85 at 2:50pm and assigned re-
recording number(s). 14641

Sincerely yours,


Secretary

Enclosure(s)

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INTERSTATE COMMERCE COMMISSION

April 26, 1985

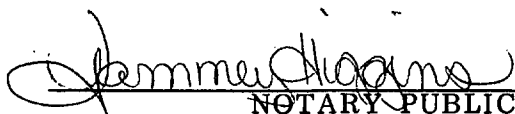
The attached photocopy of lease dated April 11, 1985, between Portec Lease Corp. and Dow Chemical U.S.A. is a true copy of the original lease.

PORTEC LEASE CORP.

By:


Richard J. Loeger
Controller

State of Illinois)
)§
County of DuPage)



NOTARY PUBLIC
My commission expires September 19, 1988

MAY 2 1985 -2 20 PM

INTERSTATE COMMERCE COMMISSION

RAIL CAR LEASE AGREEMENT

THIS LEASE, made and entered into this eleventh day of April 1985, by and between PORTEC LEASE CORP., 300 Windsor Drive, Oak Brook, Illinois 60521, hereinafter called "Lessor", and DOW CHEMICAL U.S.A., an operating unit of THE DOW CHEMICAL COMPANY, 2020 Willard H. Dow Center, Midland, Michigan 48674, hereinafter called "Lessee".

W I T N E S S E T H

NOW, THEREFORE, in consideration of the premises and mutual understandings herein, the parties agree as follows.

1. The Lessor agrees to lease to the Lessee four (4) ballast cars which are 2375 cubic feet approximate capacity and equipped with Morrison-Knuedson outlet gates. Said cars shall be used exclusively within the continental United States, exclusive of Alaska and Hawaii.
2. The term of this lease shall be for twenty-four (24) months, with Lessee having the right to terminate this Lease after the initial twelve (12) month period upon sixty (60) days' prior written notice to Lessor.
3. This lease shall apply to the rail cars delivered to the Lessee hereunder and will commence and become operative on the individual date of receipt of each car by Lessee and shall continue as provided in 2 above until said cars are returned to the point designated by Lessor.
4. Cars shall be delivered to Lessee free of any freight or other charges, and cars shall be redelivered to Lessor free of any freight or other charges.
5. Lessor shall place Lessee's markings on cars prior to their forwarding to Lessee, and Lessee shall maintain the legibility of the markings during the term of this Lease. Lessor shall remove Lessee's markings on cars upon return of cars to Lessor at the termination of this Lease.
6. The rental rate for the rail cars under this Lease shall be \$250.00 per car per month payable monthly in advance prorated for any partial month.
7. Any Investment Tax Credits on the cars shall be retained by Lessor.
8. Any costs and taxes incurred by the presence and/or use of the cars by Lessee during the term of this Lease shall be the responsibility of and at the expense of Lessee.
9. Lessee assumes and accepts the responsibility for any charges assessable by the railroads, under the rules of the tariffs to which each such railroad shall be a party, for the cars upon each railroad over which they shall move during the term of this lease. Lessee shall either pay such charges incurred directly to the railroads within the period prescribed by and at the rates and under the conditions established by such railroads under such tariffs or shall reimburse Lessor upon demand for any such charges assessed against Lessor.

10. Each of the cars shall be subject to inspection by Lessee or its agents immediately upon delivery to Lessee and before loading. The loading of each such car by Lessee shall constitute acceptance by Lessee or its agents. If cars are determined acceptable for loading by Lessee or its agents, Lessee shall notify Lessor of their acceptance of cars in writing within ten days of receipt of cars. If any car or cars are determined unsuitable for loading by Lessee or its agents within ten days of receipt of cars and prior to the initial loading, then Lessor shall have the right to put cars in good, safe, and serviceable condition within a reasonable period of time or to cancel the part of this Lease applicable to such cars.
11. Lessee agrees to conduct normal wear and tear maintenance during the term of this Lease and to maintain the cars in good condition and repair according to the A.A.R. Rules of Interchange. Lessee shall, at its expense, replace any removable parts if lost or broken. In the event that any car shall be damaged and repairable, as defined below, while in the possession of any railroad, which railroad is subject to A.A.R. Rules of Interchange, car shall continue on lease to Lessee, and Lessee shall be responsible for recovery of remuneration by the railroad for such damage. (A car shall be deemed damaged and repairable if the estimated cost of repair of the car does not exceed the A.A.R. depreciated value of the car, calculated as outlined in Rule 107 of the A.A.R. Rules of Interchange.) In the event that any car shall be lost or destroyed while in the possession of any railroad, which railroad is subject to A.A.R. Rules of Interchange, such car shall be removed off lease and rent to Lessee on the date of such loss or destruction, and Lessor shall be responsible for recovery of remuneration by the railroad for such loss or destruction. In the event that any car shall be lost, damaged or destroyed while on the tracks of Lessee, any private track or on the track of a railroad that does not subscribe to the A.A.R. Rules of Interchange, or in the event that any car is damaged by any commodity that may be transported or stored in or on such car, such repairs, renewals, or replacements of the car shall be at the expense of Lessee and rental shall continue during such period of repair, renewal, or replacement.
12. Lessor shall be responsible for any and all modifications, additions, and/or replacements as may be required by applicable laws and regulations of any governmental body. Any such required modifications, additions, and/or replacements during the term of this Lease shall cause the rental rate to increase by a monthly rate of \$1.40 per car for each \$100.00 of Lessor's costs incurred in the course of complying with these changes.
13. Lessee shall, at its own expense, cause to be maintained insurance to cover loss or damage to the equipment and third party liability insurance for bodily injury, including death, and property damage; however, Lessee may, at its option, self-assume the risk of loss or damage to the equipment.
14. Lessor irrevocably assigns to Lessee, during the term of this Lease, whatever claims and rights the Lessor may have against the manufacturer of the cars under the provisions of the manufacturers' warranty agreement, and Lessor agrees to execute and deliver such documents as may be necessary to enable Lessee to obtain customary warranty service and servicing obligations furnished by the manufacturer.

15. Lessor shall not be liable for loss of or damage to the product or any part thereof that may be handled or stored in the cars. Lessee agrees to assume responsibility for, to indemnify and hold Lessor harmless from any such loss or damage or claim therefore, except where such loss or damage is caused by Lessor's sole negligence.
16. Lessee agrees to indemnify and hold Lessor harmless from any liability resulting from injuries to persons or damage to property arising out of or in connection with the use of cars except when caused by Lessor's sole negligence.
17. At the termination of this Lease, Lessee shall return cars to Lessor's redelivery point in the same or as good condition, order, and repair as when delivered to Lessee, normal wear and tear from ordinary use and the passage of time excepted, and cars shall be in no need of repairs. Upon return of cars to Lessor, if any car requires repairs, Lessor shall notify Lessee of such necessary repairs and the cost of repair, and shall obtain written approval from Lessee for repairs to be performed at Lessee's expense. If Lessor and Lessee agree on said repairs, rental on cars shall continue during the period of repair and Lessee shall reimburse Lessor for the cost of said repairs.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in duplicate.

LESSOR:

PORTEC LEASE CORP.

BY: W. W. Lawrence

DATE: 4/18/85

LESSEE:

DOW CHEMICAL U.S.A.
An Operating Unit of
The Dow Chemical Company

BY: J. R. Hopkins

Mgr., Rail Transportation Equipment

DATE: April 12, 1985